PART C

AGENCY ADDITIONAL ESTIMATES STATEMENTS

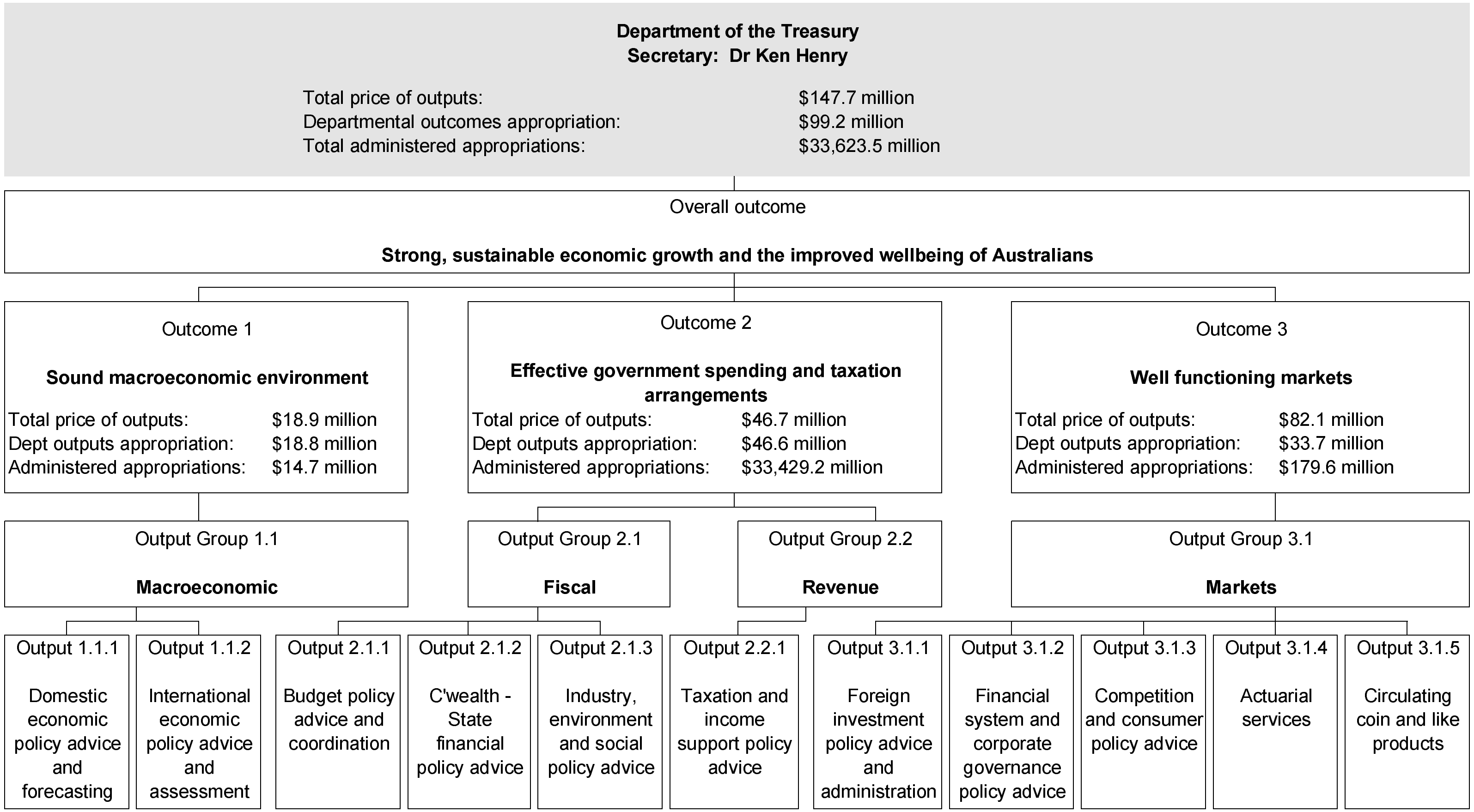
DEPARTMENT OF THE TREASURY

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2003-04 Portfolio Budget Statements* (page 9).

Map 2: Outcomes and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of the Treasury is seeking $4.603 million in departmental outputs for the HIH claims support scheme restructure ($4.300 million), Comcover increase ($0.093 million) and the implementation of the Budget Estimates and Framework Review ($0.210 million) in Appropriation Bill (No. 3) 2003-04.

The Department of the Treasury is also seeking $0.027 million as an equity injection to assist in implementing the recommendations of the Budget Estimates and Framework Review in Appropriation Bill (No. 4) 2003-04.

Measures

	2003-04 $'000	2004-05 $'000	2005-06 $'000	2006-07 $'000
Budget estimates - enhanced quality and timeliness(1)	210	218	306	229
Budget estimates - enhanced quality and timeliness *(Related capital)* (1)	27	-	-	-

(1) This is a cross outcome measure and will be allocated between Outcome 1, Outcome 2 and Outcome 3.

Budget estimates — enhanced quality and timeliness

The Government will provide additional funding to agencies of $88.5 million over five years (including $0.1 million in 2007-08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of $7.4 million over four years.

In the 2003-04 Budget the Government made provision for $78 million over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra $10.5 million over five years to fund agencies to implement the BEFR recommendations.

Outcome 2 — Effective government spending and taxation arrangements

	2003-04	2004-05	2005-06	2006-07
	$'000	$'000	$'000	$'000
Outcome 2				
Budget Balancing Assistance - amendments to the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*	*	*	*	*
Budget Balancing Assistance - changes to Australia's duty free concessions	8,800	5,700	5,700	-
Budget Balancing Assistance - compulsory third party schemes	*	*	*	*
Budget Balancing Assistance - treatment of first aid and life saving courses	4,600	1,000	1,000	-
Budget Balancing Assistance - variation to New South Wales' Guaranteed Minimum Amount	-	15,000	15,000	-

Note: All Budget Balancing Assistance measure variations are funded through Special Appropriations, under *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*.

Budget Balancing Assistance — amendments to the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*

The Government will amend the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* to facilitate the operation of the Act. The amendments, which have been agreed to by the States and Territories, relate to: enabling the Commissioner of Taxation to account for all goods and services tax (GST) refunds; the timing of final determinations; and introducing a mechanism for residual adjustments as States and Territories come off Budget Balancing Assistance (BBA).

Enabling the Commissioner of Taxation to account for all GST refunds when determining the amount of GST revenue to be paid to the States and Territories will overcome a technical problem in the current drafting of the Act which results in more GST revenue being paid out than is actually collected and retained. As GST revenue estimates for 2003-04 (and forward years) are consistent with how the Act was originally intended to operate, there is no financial impact from this amendment.

The amendment to the timing of final determinations will provide sufficient time for all parties to be able to make their determinations in compliance with the requirements of the Act.

The amendments will also introduce a mechanism to allow payments to a State or Territory to be adjusted, as they come off BBA, to fully account for any under or overestimate of payments in a previous financial year.

Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — changes to Australia's duty free concessions

The Government will make changes to the duty free concessions available to passengers and Australian-domiciled crew members. These changes are described in the revenue measure *Customs duty — changes to Australia's duty free concessions* in the Attorney-General's portfolio and will have effect from the date of commencement of the Customs by-laws.

For those States and Territories receiving BBA, the Government will adjust this assistance to compensate for the decrease in GST revenue resulting from this measure. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Further information can be found in the joint press release of 18 September 2003 issued by the Minister for Justice and Customs and the Minister for Small Business and Tourism.

Budget Balancing Assistance — compulsory third party schemes

The Government has amended the GST insurance provisions that apply to an insurer that makes payments or supplies in relation to compulsory third party (CTP) insurance policies, with effect from 1 July 2000. The Government has also introduced provisions that apply to payments and supplies that are made in relation to CTP compensation and other CTP non-insurance policy related matters.

The amendments ensure the correct policy outcomes are achieved for the application of GST to CTP schemes.

For those States and Territories receiving BBA, the Government will adjust this assistance accordingly. However, as the cost to GST revenue cannot be quantified, it is not possible to quantify the impact on BBA. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — treatment of first aid and life saving courses

The Government will allow the suppliers of eligible life saving courses to treat the courses as GST free where the supplier uses an instructor that holds a training qualification issued by one of three specified life saving organisations, with effect from 1 July 2000.

In addition, the Government will remove the restriction that only an entity that is a 'body' may treat the supply of an eligible first aid or life saving course as GST-free, extending the treatment to all suppliers.

For those States and Territories receiving BBA, the Government will adjust this assistance to compensate for the decrease in GST revenue resulting from this measure. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — variation to New South Wales' Guaranteed Minimum Amount

The Government has agreed to include the cost of New South Wales' GST gambling rebate to registered clubs in that States' Guaranteed Minimum Amount, with effect from 1 July 2004. New South Wales has taken an in-principle decision to pay a rebate in 2004-05 and subsequent years to registered clubs with an annual gaming income of up to $1 million.

Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, the States and Territories were required to adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators. As New South Wales could not lower all its taxes on gambling by the required amount, the New South Wales Government decided to pay clubs an up-front rebate to compensate clubs for the period of 2000-01 to 2003-04. It was agreed that this compensation be included in the Guaranteed Minimum Amount for New South Wales, spread over the years from 2000-01 to 2003-04.

Inclusion of the cost of the New South Wales' new rebate from 1 July 2004 is expected to lead to an increase in the amount of BBA paid by the Government to New South Wales. Further information on Budget Balancing Assistance can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Outcome 3 — Well functioning markets

	2003-04	2004-05	2005-06	2006-07
	$'000	$'000	$'000	$'000
Outcome 3				
HIH Claims Support Scheme - closure	-	-	-	-

HIH Claims Support Scheme — closure

The Government has decided to close the HIH Claims Support Scheme to new claims from 27 February 2004 and restructure the administration of the Scheme. Under the restructure, the contract management of the administrative and claims manager functions that remain after the cut-off date to new applications will be consolidated under the Department of the Treasury.

Following the closure, a facility will be provided for policyholders to make late applications where they did not know that they had a right to claim under a HIH policy.

These administrative changes have no impact on the fiscal balance. The administrative costs associated with the Scheme were funded as an up front expense when the Scheme was established in 2000-01.

Further information can be found in the press release of 21 August 2003 issued by the Minister for Revenue and Assistant Treasurer.

Other variations to appropriations

Departmental

Treasury is seeking an additional $0.093 million in departmental outputs as a result of increases to the Comcover premium. This along with a reallocation of corporate cost distribution, has an impact on Treasury's three outcomes.

MEASURES — DEPARTMENT OF THE TREASURY SUMMARY

Table 1.1: Summary of measures since the 2003-04 Budget

Measure	Outcome	Output Groups affected	2003-04 appropriations budget $'000			2004-05 appropriations forward estimate $'000			2005-06 appropriations forward estimate $'000			2006-07 appropriations forward estimate $'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Budget estimates - enhanced quality and timeliness	1,2,3	All	-	210	210	-	218	218	-	306	306	-	229	229
Budget estimates - enhanced quality and timeliness *(Related capital)*	1,2,3	All	-	27	27	-	-	-	-	-	-	-	-	-
Budget Balancing Assistance - amendments to the *A New Tax System (Commonweath-State Financial Arrangements) Act 1999*	2	2.1	*	-	*	*	-	*	*	-	*	*	-	*
Budget Balancing Assistance - changes to Australia's duty free concessions	2	2.1	8,800	-	8,800	5,700	-	5,700	5,700	-	5,700	-	-	-

Table 1.1: Summary of measures since the 200304 Budget (continued)

Measure	Outcome	Output Groups affected	2003-04 appropriations budget $'000			2004-05 appropriations forward estimate $'000			2005-06 appropriations forward estimate $'000			2006-07 appropriations forward estimate $'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Budget Balancing Assistance - compulsory third party schemes	2	2.1	*	-	*	*	-	*	*	-	*	*	-	*
Budget Balancing Assistance - treatment of first aid and life saving courses	2	2.1	4,600	-	4,600	1,000	-	1,000	1,000	-	1,000	-	-	-
Budget Balancing Assistance - variation to New South Wales' Guaranteed Minimum Amount	2	2.1	-	-	-	15,000	-	15,000	15,000	-	15,000	-	-	-
HIH Claims Support Scheme - closure	3	3.1	-	-	-	-	-	-	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2003-04

	2002-03 available	2003-04 budget (1)	2003-04 budget (2)	2003-04 revised budget	Additional estimates	Reduced estimates
	$'000	$'000	$'000	$'000	$'000	$'000
ADMINISTERED ITEMS						
Outcome 3						
Well functioning markets	11,000	10,000	10,000	10,000	-	-
Total	11,000	10,000	10,000	10,000	-	-
DEPARTMENTAL OUTPUTS						
Outcome 1						
Sound macroeconomic environment	19,612	19,069	19,069	18,843	(226)	-
Outcome 2						
Effective government spending and taxation arrangements	48,924	47,170	45,170	46,612	1,442	-
Outcome 3						
Well functioning markets	35,925	34,123	30,323	33,710	3,387	-
Total	104,461	100,362	94,562	99,165	4,603	-
Total Administered and Departmental	115,461	110,362	104,562	109,165	4,603	-

(1) Original budget as shown in the *2003-04 Portfolio Budget Statements*.
(2) Original budget as shown in the *2003-04 Portfolio Budget Statements* less section 32 transfers ($3.8 million to the Department of Industry, Tourism and Resources and $2.0 million to the Inspector General of Taxation).

Table 1.3: Appropriation Bill (No. 4) 2003-04

	2002-03 available	2003-04 budget	2003-04 revised	Additional estimates	Reduced estimates
	$'000	$'000	$'000	$'000	$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 2					
Effective government spending and taxation arrangements	74,700	20,900	-	-	-
Outcome 3					
Well functioning markets	153,084	157,519	155,853	-	(1,666)
Total	227,784	178,419	155,853	-	(1,666)
Non-Operating					
Departmental equity injection	-	-	-	27	-
Administered assets and liabilities	7,504	7,710	7,430	-	(280)
Total capital	7,504	7,710	7,430	27	(280)
Total	235,288	186,129	163,283	27	(1,946)

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	2003-04 budget	2003-04 revised	variation
Outcome 1			
Sound macroeconomic environment	122	123	1
Outcome 2			
Effective government spending and taxation arrangements	367	368	1
Outcome 3			
Well functioning markets	327	327	-
Total	816	818	2

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

	2003-04 total approp budget $'000	2003-04 total approp revised $'000	Receipts from independent sources budget $'000	Receipts from independent sources revised $'000	Variation in non-govt revenue $'000
Outcome 1					
Sound macroeconomic environment	19,069	18,843	484	28	(456)
Outcome 2					
Effective government spending and taxation arrangements	45,170	46,612	968	56	(912)
Outcome 3					
Well functioning markets	30,323	33,710	46,933	48,441	1,508
Total	94,562	99,165	48,385	48,525	140

Note: Variations of non-government revenue between outcomes are a result of revised estimates and internal reallocations.

SUMMARY OF AGENCY SAVINGS

S	Savings from annual appropriations	$1.666 million
T	Transfer appropriation monies across outcomes	-
M	Movements of funding between years	-
A	Savings from capital appropriations	$0.280 million
Total departmental savings		$1.946 million

The saving of $1.946 million represents funding no longer required for Compensation — Companies Regulation expenses ($1.666 million) and European Bank for Reconstruction and Development Capital Injections ($0.280 million) due to parameter adjustments.

DEPARTMENTAL AND ADMINISTERED REVENUES

Table 1.6: Departmental and administered revenues

	2003-04 budget estimate $'000	2003-04 revised estimate $'000
ESTIMATED DEPARTMENTAL REVENUES		
Non-appropriation departmental revenues		
Goods and services	47,812	48,445
Interest	210	-
Proceeds from sales of assets	47	-
Other	316	80
Total non-appropriation departmental revenues	48,385	48,525
Appropriation revenue*	94,562	99,165
Total estimated departmental revenues	142,947	147,690
ESTIMATED ADMINISTERED REVENUES		
Non-appropriation administered revenues		
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999	(32,050,000)	(33,050,000)
Foreign exchange gains	-	217,143
GST administration fees	570,900	541,877
Housing Loans Insurance Company Limited - recoveries from old book stock and premiums	7,746	7,746
Dividends	2,200,000	2,264,000
Postal Services Regulation	1,000	1,000
Receipts under the *International Monetary Agreements Act 1947*	51,273	41,248
Royal Australian Mint - monies in excess of requirements	87,889	50,790
Seigniorage payments - Gold Corporation	1,000	1,146
Other	7,210	7,491
Total non-appropriation administered revenues	(29,122,982)	(29,917,559)
Administered appropriation revenue	33,505,141	33,623,508
Total estimated administered revenues	4,382,159	3,705,949
Total estimated departmental and administered revenues	4,525,106	3,853,639

* Original budget as shown in the *2003-04 Portfolio Budget Statements* less section 32 transfers ($3.8 million to the Department of Industry, Tourism and Resources and $2.0 million to the Inspector General of Taxation)

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.7: Estimates of expenses from special appropriations

	Outcome affected	2003-04 budget estimate $'000	2003-04 revised estimate $'000
ESTIMATED EXPENSES			
Special appropriations			
International Monetary Agreement Act 1947	1	146,961	14,674
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999	2	1,504,934	868,298
Appropriation (HIH Assistance) Act 2001	3	11,733	-
Superannuation Industry (Supervision) Act 1993	3	-	10,000
Total estimated expenses		1,663,628	892,972

ESTIMATED SPECIAL ACCOUNT FLOWS

Table 1.8: Estimated special account flows

A[1] / B[1]	2003-04 / 2002-03 opening balance $'000	2003-04 / 2002-03 receipts $'000	2003-04 / 2002-03 payments $'000	2003-04 / 2002-03 closing balance $'000
SPECIAL ACCOUNTS[2]				
Australian Government Actuary	**1,386**	**1,500**	**1,500**	**1,386**
	888	1,914	1,416	1,386
Lloyd's Deposit Fund	**2,000**	**-**	**-**	**2,000**
	2,000	190	190	2,000
Royal Australian Mint and Coinage	**5,457**	**75,000**	**75,000**	**5,457**
Trust	2,064	122,282	118,889	5,457
Trustee Companies (ACT) Deposit	**120**	**-**	**-**	**120**
Trust Fund	120	10	10	120
Other Trust Monies	-	-	-	-
	-	-	-	-
Total special accounts	**8,963**	**76,500**	**76,500**	**8,963**

(1) The revised Opening Balance for 2003-04 (reference A) is the same as the final actual closing balance for 2002-03 (reference B). This balance may have changed from that shown in the *2003-04 Portfolio Budget Statements* as the actual for 2002-03 will have been updated to reflect the final budget outcome for the year.

(2) The special accounts are departmental in nature and are governed by the *Financial Management and Accountability Act 1997*.

This table identifies estimates of special account flows and balances. All special accounts appear under Outcome 3.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Department of the Treasury has not made any changes to its outcomes or outputs since the *2003-04 Portfolio Budget Statements*.

Revised performance information and level of achievement – 2003-04

The variation in funding for Treasury's three outcomes will not effect the performance information since the *2003-04 Portfolio Budget Statements*.

Table 2.1: Total resources for all Outcomes

	2003-04 budget estimate $'000	2003-04 revised estimate $'000
Administered appropriations		
Annual appropriations		
Output Group 2.1 - Fiscal		
Australian Capital Territory - special revenue assistance	10,900	10,900
Additional First Home Owners Scheme	10,000	10,000
Output Group 3.1 - Markets		
Compensation - companies regulation	157,519	155,853
Housing Loans Insurance Company Limited - payments in respect of insurance claims	10,000	10,000
Special appropriations		
Output Group 1.1 - Macroeconomic		
International Monetary Agreements Act 1947	20,055	14,674
Output Group 2.1 - Fiscal		
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999	33,284,934	33,408,298
Output Group 3.1 - Markets		
Appropriation (HIH Assistance) Act 2001	11,733	-
Superannuation Industry (Supervision) Act 1993	-	10,000
Total administered appropriations	33,505,141	33,619,725
Departmental appropriations		
Output Group 1.1 - Macroeconomic	19,069	18,843
Output Group 2.1 - Fiscal	11,366	11,703
Output Group 2.2 - Revenue	33,804	34,909
Output Group 3.1 - Markets	30,323	33,710
Total revenues from government (appropriations) contributing to price of departmental outputs	94,562	99,165
Revenue from other sources		
Output Group 1.1 - Macroeconomic	484	28
Output Group 2.1 - Fiscal	110	6
Output Group 2.2 - Revenue	858	50
Output Group 3.1 - Markets	46,933	48,441
Total revenue from other sources	48,385	48,525
Total price from departmental outputs (Total revenues from government and from other sources)	142,947	147,690
Total estimated resourcing (Total price of outputs and administered appropriations)	33,648,088	33,767,415

	2003-04	2003-04
Average staffing level (number)	816	818

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

A brief analysis of the Department's budgeted financial statements is provided below.

Departmental

Total revenue is expected to remain similar to 2002-03, although there are movements between the types of revenue received by Treasury. These movements include an increase in goods and services revenue in 2003-04, reduced interest revenue due to the cessation of the Agency Banking Incentive Scheme and reduced appropriations.

The Department's capital budget reflects increased capital appropriations in 2003-04. This is attributable to budget measures relating to additional capital acquisitions for the Royal Australian Mint, an equity injection to the Australian Reinsurance Pool Corporation (to be repaid in the same year) and the implementation of the Budget Estimates and Framework Review.

Administered

Goods and services tax (GST) related items are treated as negative in the Department of the Treasury's administered budget statements.

For constitutional reasons the GST is levied by the Commonwealth, and can therefore be technically considered Commonwealth revenue under the reporting standards. The clear policy intent of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (the IGA), however, is that it is a State tax collected by the Commonwealth in an agency capacity. Accordingly, GST related items are treated as negative in Treasury's administered budget statements. This fully offsets GST related items recorded by the Australian Taxation Office so that at a consolidated level the GST is not recorded by the Commonwealth.

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

This statement provides a picture of the expected financial results for the Department of the Treasury by identifying full accrual expenses and revenues, which highlights whether the Department is operating at a sustainable level.

Budgeted departmental statement of financial position

This statement shows the financial position of the Department of the Treasury. It helps decision-makers to track the management of assets and liabilities.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental capital budget statement

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Departmental non-financial assets — summary of movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

NOTES OF ADMINISTERED ACTIVITY

Note of budgeted administered financial performance

This note identifies the main revenues and expenses administered on behalf of the Government.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

Note of administered capital budget statement

This note shows details of planned administered capital expenditure.

Table 3.1: Budgeted Departmental Statement of Financial Performance (for the period ended 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
REVENUES					
Revenues from ordinary activities					
Revenues from government	104,813	99,165	100,701	103,001	103,830
Goods and services	43,621	48,445	49,970	50,260	50,596
Interest	1,059	-	-	-	-
Revenue from sales of assets	132	-	-	-	-
Other	1,671	80	80	80	80
Total revenues from ordinary activities	151,296	147,690	150,751	153,341	154,506
EXPENSES					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	75,569	74,668	76,616	78,857	81,903
Suppliers	65,711	66,042	67,869	67,891	65,537
Depreciation and amortisation	5,174	5,322	5,658	5,985	6,458
Write-down of assets	55	-	-	-	-
Value of assets sold	292	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	146,801	146,032	150,143	152,733	153,898
Borrowing cost expense	196	158	158	158	158
Operating surplus or deficit from ordinary activities	4,299	1,500	450	450	450
Income tax expense	(569)	(450)	(450)	(450)	(450)
Net surplus or deficit	3,730	1,050	-	-	-

Table 3.2: Budgeted Departmental Statement of Financial Position (for the period ended 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
ASSETS					
Financial assets					
Cash	9,211	11,159	11,462	12,421	13,548
Receivables	15,026	24,137	25,364	27,564	27,859
Total financial assets	24,237	35,296	36,826	39,985	41,407
Non-financial assets					
Land and buildings	7,865	7,279	6,506	5,708	4,911
Infrastructure, plant and equipment	12,537	13,709	14,550	15,684	16,587
Inventories	15,418	12,500	12,500	12,500	12,500
Intangibles	2,156	2,450	2,532	2,560	3,924
Other	8,068	6,745	6,708	6,703	6,516
Total non-financial assets	46,044	42,683	42,796	43,155	44,438
Total assets	70,281	77,979	79,622	83,140	85,845
LIABILITIES					
Interest bearing liabilities					
Leases	3,276	3,276	3,276	3,276	3,276
Deposits	-	120	120	120	120
Total interest bearing liabilities	3,276	3,396	3,396	3,396	3,396
Provisions					
Employees	24,481	27,405	25,943	26,760	27,256
Other	1,562	-	-	-	-
Total provisions	26,043	27,405	25,943	26,760	27,256
Payables					
Suppliers	4,773	3,746	4,718	4,714	4,571
Other	2,641	2,707	2,675	2,670	2,507
Total payables	7,414	6,453	7,393	7,384	7,078
Total liabilities	36,733	37,254	36,732	37,540	37,730
EQUITY					
Parent equity interest					
Contributed equity	4,076	10,203	12,368	15,078	17,593
Reserves	5,482	5,482	5,482	5,482	5,482
Retained surpluses or accumulated deficits	23,990	25,040	25,040	25,040	25,040
Total parent equity interest	33,548	40,725	42,890	45,600	48,115
Total equity	33,548	40,725	42,890	45,600	48,115
Current assets	42,325	38,381	39,874	43,028	44,263
Non-current assets	27,956	39,598	39,748	40,112	41,582
Current liabilities	21,644	10,095	9,051	9,292	9,006
Non-current liabilities	15,089	27,159	27,681	28,248	28,724

Table 3.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	104,461	94,902	101,079	100,928	103,537
Goods and services	26,621	48,525	50,050	50,340	50,676
Interest	1,058	-	-	-	-
GST input credit receipts	3,293	6,357	6,673	6,764	6,549
GST receipts from customers	1,581	-	-	-	-
Other	98,445	-	-	-	-
Total cash received	235,459	149,784	157,802	158,032	160,762
Cash used					
GST payments (departmental)	3,468	4,364	4,837	5,013	5,060
GST payments to suppliers	1,653	-	-	-	-
Employees	68,109	71,777	78,078	78,040	81,407
Suppliers	67,525	71,012	70,333	69,773	67,147
Interest and other financing costs	413	608	608	608	608
Cash to Offical Public Account	12,000	-	-	-	-
Other	80,242	-	-	-	-
Total cash used	233,410	147,761	153,856	153,434	154,222
Net cash from/(used by) operating activities	2,049	2,023	3,946	4,598	6,540
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	129	-	-	-	-
Cash from Official Public Account	8,000	-	-	-	-
Other	1,789	-	-	-	-
Total cash received	9,918	-	-	-	-
Cash used					
Purchases of property, plant and equipment	5,808	6,202	5,808	6,349	7,928
Total cash used	5,808	6,202	5,808	6,349	7,928
Net cash from/(used by) investing activities	4,110	(6,202)	(5,808)	(6,349)	(7,928)
FINANCING ACTIVITIES					
Cash received					
Cash from capital injections	-	11,127	2,165	2,710	2,515
Total cash received	-	11,127	2,165	2,710	2,515
Cash used					
Repayments of debt	1,145	-	-	-	-
Dividends paid	-	5,000	-	-	-
Other	6,235	-	-	-	-
Total cash used	7,380	5,000	-	-	-
Net cash from/(used by) financing activities	(7,380)	6,127	2,165	2,710	2,515
Net increase/(decrease) in cash held	(1,221)	1,948	303	959	1,127
Cash at the beginning of the reporting period	10,432	9,211	11,159	11,462	12,421
Cash at the end of the reporting period	9,211	11,159	11,462	12,421	13,548

Table 3.4: Departmental Capital Budget Statement

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	11,127	2,165	2,710	2,515
Total loans	-	-	-	-	-
Total	-	11,127	2,165	2,710	2,515
Represented by					
Purchase of non-financial assets	-	2,127	2,165	2,710	2,515
Other	-	9,000	-	-	-
Total	-	11,127	2,165	2,710	2,515
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	-	2,127	2,165	2,710	2,515
Funded internally by departmental resources	2,000	4,075	3,643	3,639	5,413
Total	2,000	6,202	5,808	6,349	7,928

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer Software	Other intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of year	-	7,865	-	12,537	-	2,156	-	22,558
Additions	-	365	-	4,318	-	1,519	-	6,202
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(951)	-	(3,146)	-	(1,225)	-	(5,322)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	7,279	-	13,709	-	2,450	-	23,438
Total additions								
Self funded	-	365	-	2,191	-	1,519	-	4,075
Appropriations	-	-	-	2,127	-	-	-	2,127
Total	-	365	-	4,318	-	1,519	-	6,202

Table 3.6: Note of Budgeted Financial Performance Administered on behalf of the Government (for the period ended 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
REVENUES					
Taxation					
Other taxes, fees and fines	-	(33,050,000)	(34,630,000)	(36,600,000)	(38,710,000)
Total taxation	-	(33,050,000)	(34,630,000)	(36,600,000)	(38,710,000)
Non-taxation					
Revenues from government	33,849,086	33,408,298	34,986,947	36,927,975	38,150,000
Goods and services	562,995	541,877	582,300	595,000	607,977
Interest and dividends	1,901,750	2,271,991	546,637	700,479	700,000
Net foreign exchange gains	-	217,143	-	-	-
Other	147,587	101,430	135,835	140,325	139,482
Total non-taxation	36,461,418	36,540,739	36,251,719	38,363,779	39,597,459
Total revenues administered on behalf of the Government	36,461,418	3,490,739	1,621,719	1,763,779	887,459
EXPENSES					
Borrowing costs	21,263	-	-	-	-
Grants	32,714,227	1,185,051	1,039,850	1,034,367	180,311
Net foreign exchange losses	413,172	-	-	-	-
Write-down and impairment of assets	-	(140,000)	(190,000)	(200,000)	(210,000)
Other	85	34,674	24,378	23,392	22,392
Total expenses administered on behalf of the Government	33,148,747	1,079,725	874,228	857,759	(7,297)

Table 3.7: Note of Budgeted Financial Position Administered on behalf of the Government (as at 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
ASSETS					
Financial assets					
Cash	5,665	5,665	5,665	5,665	5,665
Investments	15,553,850	15,642,107	15,642,107	15,642,107	15,642,107
Receivables	722,956	(486,619)	(1,920,578)	(2,322,293)	(2,711,632)
Total financial assets	16,282,471	15,161,153	13,727,194	13,325,479	12,936,140
Non-financial assets					
Other	546,159	70,346	573	494	478
Total non-financial assets	546,159	70,346	573	494	478
Total assets administered on behalf of the Government	16,828,630	15,231,499	13,727,767	13,325,973	12,936,618
LIABILITIES					
Debt					
Loans	4,110,576	3,742,743	3,738,088	3,735,769	3,734,030
Other	988,332	1,001,160	1,001,160	1,001,160	1,001,160
Total debt	5,098,908	4,743,903	4,739,248	4,736,929	4,735,190
Provisions					
Suppliers	-	3,772	3,772	3,772	3,772
Other	18,391	(251,845)	(255,714)	(258,138)	(259,642)
Total provisions	18,391	(248,073)	(251,942)	(254,366)	(255,870)
Payables					
Grants	472,832	338,623	251,079	192,391	151,161
Subsidies	183	183	183	183	183
Other	19,941	6,678	1,854	1,854	1,854
Total payables	492,956	345,484	253,116	194,428	153,198
Total liabilities administered on behalf of the Government	5,610,255	4,841,314	4,740,422	4,676,991	4,632,518
Current liabilities	18,571	20,878	16,028	11,714	7,884
Non-current liabilities	5,591,684	4,820,436	4,724,394	4,665,277	4,624,634
Current assets	794,014	(134,051)	(637,729)	(772,303)	(902,732)
Non-current assets	16,034,616	15,365,550	14,365,496	14,098,276	13,839,350

Table 3.8: Note of Budgeted Administered Cash Flows (for the period ended 30 June)

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriation receipts	-	33,756,124	35,269,265	37,183,947	38,391,433
Cash from Official Public Account	34,025,272	-	-	-	-
Dividends	1,889,226	1,300,000	1,507,000	700,000	700,000
GST input credit receipts	996	-	-	-	-
Interest	77,469	7,991	3,637	479	-
Other	648,247	635,427	715,354	733,703	746,580
Total cash received	36,641,210	35,699,542	37,495,256	38,618,129	39,838,013
Cash used					
Cash to Official Public Account	2,972,773	1,943,418	2,225,991	1,434,182	1,446,580
Grant payments	33,005,817	1,185,051	1,039,850	1,034,367	180,311
Interest	21,263	-	-	-	-
Other	181,442	32,571,073	34,229,415	36,149,580	38,211,122
Total cash used	36,181,295	35,699,542	37,495,256	38,618,129	39,838,013
Net cash from operating activities	459,915	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Cash from Official Public Account	-	12,086	11,986	4,819	4,239
Other	356,857	-	-	-	-
Total cash received	356,857	12,086	11,986	4,819	4,239
Cash used					
Purchase of equity instruments	-	12,086	11,986	4,819	4,239
Other	819,148	-	-	-	-
Total cash used	819,148	12,086	11,986	4,819	4,239
Net cash from investing activities	(462,291)	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	64,051	64,051	14,804	-
Cash from capital injections	-	221,334	-	-	-
Other	-	228,288	-	-	-
Total cash received	-	513,673	64,051	14,804	-
Cash used					
Cash to Official Public Account	-	292,339	64,051	14,804	-
Other	-	221,334	-	-	-
Total cash used	-	513,673	64,051	14,804	-
Net cash from financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(2,376)	-	-	-	-
Cash at beginning of reporting period	8,041	5,665	5,665	5,665	5,665
Cash at end of reporting period	5,665	5,665	5,665	5,665	5,665

Table 3.9: Note of Administered Capital Budget

	2002-03 actual $'000	2003-04 revised budget $'000	2004-05 forward estimate $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000
CAPITAL APPROPRIATIONS					
Administered capital	7,504	7,430	7,331	4,819	4,239
Special appropriations	-	427,255	89,699	56,188	38,730
Total	7,504	434,685	97,030	61,007	42,969
Represented by:					
Other	-	434,685	97,030	61,007	42,969
Total	-	434,685	97,030	61,007	42,969

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Department of the Treasury's budget statements have been prepared on an accrual basis and in accordance with the goods and services tax (GST) accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable be reported gross. Appropriations are thus net of recoverable GST amounts.

Departmental and administered financial statements

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that departments control (departmental transactions) are separately budgeted for and reported on from transactions departments do not have control over (administered transactions). This ensures that departments are only held accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses are those items that are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing its goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants, and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Detailed notes on the treatment of certain items can be found in the Treasury Annual Report 2002-03 (pages 172 to 186).

Royal Australian Mint

The Department of the Treasury's departmental budget statements are aggregated to include the financial operations of the Royal Australian Mint (RAM). Any profit earned by RAM, taking into account working capital requirements, is returned to the Commonwealth.

Seigniorage is collected by RAM on behalf of the Commonwealth. Seigniorage represents the difference between the face value of coinage sold to the Reserve Bank of Australia and its cost of production to RAM. Seigniorage is treated as an administered item within the Department of the Treasury budget statements.